



June 5, 2002

Major Items in Senate TPA Bill That Are Not in the House Bill

On May 23, 2002, the Senate passed H.R. 3009, the Trade Act of 2002, with trade promotion authority ("fast track") for the President, Andean trade preferences language, and a variety of labor and environmental provisions that mirror the House-passed bill. However, there are many provisions in the Senate bill that are not in or are significantly different from the House bill. Below are the major differences that are causing the most controversy.

Wage Insurance: The Senate bill would add a new two-year wage insurance pilot program, which would supplement up to 50% of the wage difference between the wage on a new job and the old one for up to two years if the new job is in a new industry. Eligibility would be limited to those over age 50 whose prior incomes were less than \$50,000 yearly, who work at least 30 hours a week, who found new jobs within 26 weeks after job separation, and who did not receive TAA payments. Total payments could not exceed \$10,000 over 2 years.

Health Insurance: The Senate bill would provide a 70% refundable tax credit payable in advance for health insurance premiums for eligible workers (i.e. workers otherwise eligible to receive TAA payments who are not covered by Medicare, Medicaid, or SCHIP) to purchase qualified insurance (which includes continuation of coverage under COBRA, continuation under an individual policy, but only if the worker enrolled prior to unemployment, enrollment in a state high-risk pool, or enrollment in other types of state-sponsored insurance programs).

Trade Adjustment Assistance: The Senate bill includes multiple provisions for "Trade Adjustment Assistance" (TAA). TAA offers workers extended unemployment benefits and job training when left jobless due to competition from imported goods. A similar program exists under the North American Free Trade Agreement (NAFTA). In order to receive weekly cash benefits, workers must show that import competition has "contributed importantly" to their job loss and must participate in federally-funded job-training programs.

The bill that passed the Senate last month would ease the eligibility requirements so that:

- workers in secondary industries would be eligible (currently, they are generally ineligible)
- import competition from or production shifts to *any* country could trigger TAA (currently, only production shifts to Canada and Mexico qualify workers)

- farmers, ranchers, independent fishermen, and taconite (a type of steel) workers would become eligible (currently, they are generally ineligible)
- the President, the Senate Finance Committee, or the House Ways and Means Committee would be able to petition the Secretary of Labor to start the certification process with respect to a particular industry
- a petition for eligibility from a group of workers would be considered simultaneously by the Governor of the state and the U.S. Secretary of Labor

The Senate bill would also expand benefits beyond the House TAA bill as follows:

- Increase the weekly benefit for job-searching out of local area and for relocation from \$800 each to \$1250 each (a 56% increase)
- Raise the ceiling on annual training funds to \$300 million (from \$110 million)

Unfair Trade Practices: The Dayton-Craig Amendment (S.AMDT. 3408), as included in the Senate-passed version of H.R. 3009, would prevent the “fast-track” procedures from being used to consider any bill that modifies or amends, or requires a modification of or an amendment to, any U.S. law that provides safeguards from unfair foreign trade practices to American businesses or workers. Points of order in the Senate could be raised to strike sections of bills that would violate this limitation (though a senator may move to waive such a point of order).
